

Message Text

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PAGE 01 LAGOS 07255 290803Z
ACTION AF-10

INFO OCT-01 ARA-10 EUR-12 EA-07 NEA-10 ISO-00 FEA-01
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02
DODE-00 EB-07 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01 /141 W
-----121890 290910Z /20

R 281544Z JUN 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 1966
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DOHA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMCONSUL KADUNA
AMEMBASSY KUWAIT
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY QUITO
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA

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E.O. 11652: N/A
TAGS: ENRG, NI
SUBJECT: CHAIRMAN NIGERIAN NATIONAL PETROLEUM CORPORATION
COMMENTS ON REPORTED OPEC PRICE COMPROMISE

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PAGE 02 LAGOS 07255 290803Z

1. LAGOS NEWSPAPER BUSINESS TIMES OF JUNE 28 CARRIES FRONT
PAGE ARTICLE HEADLINED QUOTE OPEC CANCELS PRICE INCREASE UNQUOTE.
CITING UNSPECIFIED REPORTS, ARTICLE SAYS OPEC ELEVEN HAVE AGREED
DROP ADDITIONAL FIVE PERCENT PRICE INCREASE IN JULY IN RETURN
FOR SAUDI ARABIA AND UAE AGREEMENT TO ADJUST PRICES IN SOME
FASHION (HOW NOT MADE CLEAR TO READERS SINCE TYPESETTER DROPPED A LINE
AT THIS CRUCIAL POINT).

2. MOST OF STORY CONSISTS OF UNINTERESTING REHASHES OF FACTORS BEHIND SAUDI PRICE DECISION. HOWEVER, ARTICLE CONCLUDES WITH REPORT THAT IN INTERVIEW LAST WEEK, CHAIRMAN OF NIGERIAN NATIONAL PETROLEUM CORPORATION COLONEL MUHAMMED BUHARI TOLD BUSINESS TIMES THAT NIGERIA SUPPORTS ANY MOVE TO CLOSE OPEC PRICE SPLIT AND HAS INDICATED WILLINGNESS ABIDE BY WHATEVER MAJORITY DECIDES REGARDING JULY PRICE INCREASE. BUHARI CAUTIONED THAT REPORTS OF COMPROMISE PREMATURE, SAID ONLY OPEC MINISTERIAL HAS AUTHORITY MAKE SUCH A DECISION AND HE BELIEVED MANY CRUCIAL ISSUES STILL HAVE TO BE THRASHED OUT BEFORE ANY COMPROMISE RATIFIED.

3. COMMENT: THIS IS ONLY OFFICIAL NIGERIAN STATEMENT WE HAVE HEARD ON OPEC PRICE SPLIT COMPROMISE. IT MAINTAINS NIGERIA'S TRADITIONAL POSTURE AS FOLLOWER RATHER THAN LEADER ON MAJOR OPEC ISSUES, AND REFLECTS FMG'S PARTICULAR AVERSION TO BECOMING INVOLVED IN CONFRONTATIONS BETWEEN OPEC HEAVYWEIGHTS.

4. IN SEPARATE EDITORIAL, BUSINESS TIMES TAKES SAUDI ARABIA AND YAMANI TO TASK FOR HOLDING OPEC TO RANSOM, EXAGGERATING SAUDI IMPORTANCE AS LARGEST OIL PRODUCER, AND, AFTER THROWING TANTRUM, PRECIPITATING DUAL PRICE SYSTEM THAT THREATENED OPEC'S EXISTENCE. EDITORIAL REFERS TO RPORTS THAT SAUDI ARABIA HELD PRICES DOWN IN RETURN FOR DEFENSE AGREEMENT WITH U.S., AFFIRMS SAUDI RIGHT TO PROTECT NATIONAL INTERESTS BUT CALLS LIMITED OFFICIAL USE

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IMPOSITION OF WILL ON OTHER SOVEREIGN STATES IN OPEC QUOTE INSUFFERABLE ARROGANCE UNQUOTE. EDITORIAL CONCLUDES THAT SAUDI BLUFF HAS BEEN CALLED, AND INTIMIDATING PRESENCE IN OPEC DIMINISHED. DECISION OF OPEC ELEVEN TO SHELVE PRICE INCREASE IN JULY IS A SACRIFICE, NOT JUSTIFIED BY SUPPLY AND DEMAND SITUATION MADE IN INTERESTS OF KEEPING OPEC TOGETHER, AND YAMANI ADVISED TO FACE THIS REALITY. EDITORIAL ADMONISHES FMG TO MAKE CLEAR AT STOCKHOLM THAT WHILE IT CONSCIOUS OF OPEC MEMBERSHIP BENEFITS IT WILL NOT ACCEPT SITUATION IN WHICH ONE MEMBER BEHAVES LIKE BULLY AND INSISTS THAT OTHER MEMBERS BOW ITS WISHES.
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Message Attributes

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, POLICIES, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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